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Finances et Économie Québec

MONTHLY REPORT ON FINANCIAL TRANSACTIONS

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PRELIMINARY AS AT MARCH 31, 2013

Note to the reader: Preliminary results for 2012-2013

The results published on June 27, 2013 regarding the fiscal year ended March 31, 2013 are preliminary. These preliminary results will be reviewed to reflect additional information obtained until the time the financial statements are closed. The final results will be presented this fall in the 2012-2013 Public Accounts.

Highlights for March 2013

- Budgetary revenue in March amounts to $6.5 billion, up $142 million compared to last year. Own-source revenue amounts to $5.0 billion while federal transfers stand at $1.5 billion.
- Program spending amounts to $6.7 billion, down $101 million compared to last year.
- Debt service amounts to $687 million, up $34 million compared to last year.
- A deficit of $683 million on consolidated budgetary transactions was posted for March 2013, compared with a deficit of $970 million for March 2012.
- Taking the $108 million deposited in the Generations Fund into account, the monthly budgetary balance within the meaning of the *Balanced Budget Act* shows a deficit of $791 million for March 2013.

On the basis of the cumulative results as at March 31, 2013, the budgetary balance, within the meaning of the *Balanced Budget Act*, amounts to a deficit of $1 746 million. Since certain information concerning the final months of the fiscal year is not available as yet, the budget deficit objective of $1 500 million is maintained as stipulated in the March 2013 *Update on Québec's Economic and Financial Situation*.

SUMMARY OF CONSOLIDATED BUDGETARY TRANSACTIONS
(millions of dollars) **(Unaudited data)**

	March		April to March		*Update on Québec's Economic and Financial Situation Spring 2013*	
	2012 [1]	2013	2011-2012	2012-2013	2012-2013	Forecast Growth %
BUDGETARY REVENUE						
Own-source revenue	5 035	4 963	50 272	52 141 [2]	52 942 [2]	5.3
Federal transfers	1 334	1 548	15 243	15 706	15 710	3.1
Total	**6 369**	**6 511**	**65 515**	**67 847**	**68 652**	**4.8**
BUDGETARY EXPENDITURE						
Program spending	- 6 837	- 6 736	- 61 503	- 62 554	- 62 642	1.9
Debt service	- 653	- 687	- 7 348	- 7 766	- 7 822	6.5
Total	**- 7 490**	**- 7 423**	**- 68 851**	**- 70 320**	**- 70 464**	**2.3**
CONSOLIDATED ENTITIES [3]						
Non-budget-funded bodies and special funds	49	10	838	827	462	—
Health and social services and education networks	5	111	- 130	- 100	- 100	—
Generations Fund	97	108	840	961	936	—
Total	**151**	**229**	**1 548**	**1 688**	**1 298**	—
Contingency reserve	—	—	—	—	**- 50**	—
Exceptional loss – closing of the Gentilly-2 generating station	—	—	—	**- 1 876**	**- 1 876**	—
SURPLUS (DEFICIT)	**- 970**	**- 683**	**- 1 788**	**- 2 661**	**- 2 440**	—
BALANCED BUDGET ACT						
Deposits of dedicated revenues in the Generations Fund	- 97	- 108	- 840	- 961	- 936	—
Exceptional loss – closing of the Gentilly-2 generating station [4]	—	—	—	1 876	1 876	—
BUDGETARY BALANCE WITHIN THE MEANING OF THE BALANCED BUDGET ACT	**- 1 067**	**- 791**	**- 2 628**	**- 1 746**	**- 1 500**	—

(1) For comparison purposes, the data for March 2012 have been adjusted to reflect improvements to the estimation method of mandataries for personal income tax revenue and health services contributions.
(2) Excluding the exceptional loss of $1 876 million resulting from the closure of the Gentilly-2 nuclear power plant in 2012-2013 included in Hydro-Québec's audited financial statements as at December 31, 2012.
(3) The details of these transactions by type of entity are shown on page 5 of this report.
(4) Since this is a one-time event independent of the management of its day-to-day operations, the *Balanced Budget Act* excludes from the budgetary balance the exceptional loss resulting from the closure of the Gentilly-2 nuclear power plant. The National Assembly passed these amendments last June 14.

Cumulative results as at March 31, 2013

Budgetary balance

- For the period from April 2012 to March 2013, the budgetary balance, within the meaning of the *Balanced Budget Act*, amounts to a deficit of $1 746 million. On the basis of preliminary results, this is a deterioration of $246 million compared with the deficit forecast in the March 2013 *Update on Québec's Economic and Financial Situation*.

Budgetary revenue

- As at March 31, 2013, budgetary revenue amounts to $67.8 billion, $2 332 million more than as at March 31, 2012.
  - Own-source revenue stands at $52.1 billion, $1 869 million more than on the same date last year.
  - Federal transfers amount to $15.7 billion, up $463 million compared to March 31, 2012.

Budgetary expenditure

- For 2012-2013, budgetary expenditure amounts to $70.3 billion, an increase of $1 469 million, or 2.1%, compared to last year.
  - For fiscal year 2012-2013, program spending rose by $1 051 million, or 1.7%, and stands at $62.6 billion. The increase forecast in the March 2013 *Update on Québec's Economic and Financial Situation* is 1.9%.
    - The most significant changes are attributable to the Health and Social Services (increase of $854 million) and Economy and Environment (decrease of $337 million) missions.
  - Debt service amounts to $7.8 billion, up $418 million or 5.7% compared to last year.

Consolidated entities

- As at March 31, 2013, the net results of consolidated entities show a surplus of $1 688 million. These results include:
  - a surplus of $827 million for non-budget-funded bodies and special funds;
  - a $100-million deficit for the health and social services and the education networks;
  - revenue dedicated to the Generations Fund of $961 million.

Net financial requirements

- As at March 31, 2013, consolidated net financial requirements stand at $4.6 billion, a decrease of $1.2 billion compared to last year. Financial requirements reflect the current budget deficit as well as the variation, from one year to the next, in receipts and disbursements made in the course of the government's operations.

MONTHLY REPORT ON FINANCIAL TRANSACTIONS

CONSOLIDATED BUDGETARY AND FINANCIAL TRANSACTIONS

(millions of dollars) **(Unaudited data)**

	March			April to March		
	2012 [1]	2013	Change	2011-2012	2012-2013	Change
BUDGETARY REVENUE						
Own-source revenue	5 035	4 963	- 72	50 272	52 141 [2]	1 869
Federal transfers	1 334	1 548	214	15 243	15 706	463
Total	**6 369**	**6 511**	**142**	**65 515**	**67 847**	**2 332**
BUDGETARY EXPENDITURE						
Program spending	- 6 837	- 6 736	101	- 61 503	- 62 554	- 1 051
Debt service	- 653	- 687	- 34	- 7 348	- 7 766	- 418
Total	**- 7 490**	**- 7 423**	**67**	**- 68 851**	**- 70 320**	**- 1 469**
CONSOLIDATED ENTITIES[3]						
Non-budget-funded bodies and special funds	49	10	- 39	838	827	- 11
Health and social services and education networks	5	111	106	- 130	- 100	30
Generations Fund	97	108	11	840	961	121
Total	**151**	**229**	**78**	**1 548**	**1 688**	**140**
Exceptional loss – Closing of Gentilly-2 nuclear generating station	—	—	—	—	**- 1 876**	**- 1 876**
SURPLUS (DEFICIT)	**- 970**	**- 683**	**287**	**- 1 788**	**- 2 661**	**- 873**
Consolidated non-budgetary requirements	1 867	1 059	- 808	- 3 967	- 1 897	2 070
CONSOLIDATED NET FINANCIAL REQUIREMENTS	**897**	**376**	**- 521**	**- 5 755**	**- 4 558**	**1 197**

(1) For comparison purposes, the data for March 2012 have been adjusted to reflect improvements to the estimation method of mandataries for personal income tax revenue and health services contributions.

(2) Excluding the exceptional loss of $1 876 million resulting from the closure of the Gentilly-2 nuclear power plant in 2012-2013 included in Hydro-Québec's audited financial statements as at December 31, 2012.

(3) The details of these transactions by type of entity are shown on page 5 of this report.

MONTHLY REPORT ON FINANCIAL TRANSACTIONS

GENERAL FUND REVENUE

(millions of dollars) **(Unaudited data)**

	March			April to March		
Revenue by source	**2012** [1]	**2013**	**Change %**	**2011-2012**	**2012-2013**	**Change %**
Own-source revenue excluding government enterprises						
Income and property taxes						
Personal income tax	1 843	1 401	- 24.0	18 980	18 625	- 1.9
Contributions to Health Services Fund	578	595	2.9	6 246	6 612	5.9
Corporate taxes	684	726	6.1	3 894	4 060	4.3
Consumption taxes	1 296	1 415	9.2	14 419	15 779	9.4
Others sources	168	257	53.0	1 984	1 945	- 2.0
Total own-source revenue excluding government enterprises	**4 569**	**4 394**	**- 3.8**	**45 523**	**47 021**	**3.3**
Revenue from government enterprises	**466**	**569**	**22.1**	**4 749**	**5 120** [2]	**7.8**
Total own-source revenue	**5 035**	**4 963**	**- 1.4**	**50 272**	**52 141**	**3.7**
Federal transfers						
Equalization	652	616	- 5.5	7 815	7 391	- 5.4
Protection payment	31	30	- 3.2	369	362	- 1.9
Health transfers	369	409	10.8	4 511	4 792	6.2
Transfers for post-secondary education and other social programs	127	126	- 0.8	1 488	1 486	- 0.1
Other programs	155	123	- 20.6	1 060	942	- 11.1
Subtotal	**1 334**	**1 304**	**- 2.2**	**15 243**	**14 973**	**- 1.8**
Harmonization of the QST with the GST – Compensation	—	244	—	—	733	—
Total federal transfers	**1 334**	**1 548**	**16.0**	**15 243**	**15 706**	**3.0**
BUDGETARY REVENUE	**6 369**	**6 511**	**2.2**	**65 515**	**67 847**	**3.6**

(1) For comparison purposes, the data for March 2012 have been adjusted to reflect improvements to the estimation method of mandataries for personal income tax revenue and health services contributions.

(2) Excluding the exceptional loss of $1 876 million resulting from the closure of the Gentilly-2 nuclear power plant in 2012-2013 included in Hydro-Québec's audited financial statements as at December 31, 2012.

GENERAL FUND EXPENDITURE

(millions of dollars) **(Unaudited data)**

	March			April to March		
Expenditures by mission	**2012**	**2013**	**Change %**	**2011-2012**	**2012-2013**	**Change %**
Program spending						
Health and Social Services	3 342	3 377	1.0	29 341	30 195	2.9
Education and Culture	1 579	1 612	2.1	16 414	16 714	1.8
Economy and Environment	874	708	- 19.0	5 792	5 455	- 5.8
Support for Individuals and Families	563	554	- 1.6	6 107	6 179	1.2
Administration and Justice	479	485	1.3	3 849	4 011	4.2
Total program spending	**6 837**	**6 736**	**- 1.5**	**61 503**	**62 554**	**1.7**
Debt service	**653**	**687**	**5.2**	**7 348**	**7 766**	**5.7**
BUDGETARY EXPENDITURE	**7 490**	**7 423**	**- 0.9**	**68 851**	**70 320**	**2.1**

DETAILED INFORMATION ON THE TRANSACTIONS OF CONSOLIDATED ENTITIES

(millions of dollars) (Unaudited data)

	March 2013								
	Special funds	Generations Fund	Specified purpose accounts	Transfers (expenditures) related to the tax system	Non-budget-funded bodies	Health and education networks[1]	Total	Consolidation adjustments[2]	Total
REVENUE	**933**	**108**	**229**	**357**	**2 054**	**—**	**3 681**	**- 2 233**	**1 448**
EXPENDITURE									
Expenditure	- 727	—	- 229	- 357	- 1 981	111	- 3 183	2 117	- 1 066
Debt service	- 170	—	—	—	- 99	—	- 269	116	- 153
TOTAL	**- 897**	**—**	**- 229**	**- 357**	**- 2 080**	**111**	**- 3 452**	**2 233**	**- 1 219**
RESULTS	**36**	**108**	**—**	**—**	**- 26**	**111**	**229**	**—**	**229**

	April to march 2013								
	Special funds	Generations Fund	Specified purpose accounts	Transfers (expenditures) related to the tax system	Non-budget-funded bodies	Health and education networks[1]	Total	Consolidation adjustments[2]	Total
REVENUE	**9 478**	**961**	**1 096**	**5 302**	**22 216**	**—**	**39 053**	**- 21 782**	**17 271**
EXPENDITURE									
Expenditure	- 7 047	—	- 1 096	- 5 302	- 20 859	- 100	- 34 404	20 727	- 13 677
Debt service	- 1 812	—	—	—	- 1 149	—	- 2 961	1 055	- 1 906
TOTAL	**- 8 859**	**—**	**- 1 096**	**- 5 302**	**- 22 008**	**- 100**	**- 37 365**	**21 782**	**- 15 583**
RESULTS	**619**	**961**	**—**	**—**	**208**	**- 100**	**1 688**	**—**	**1 688**

(1) The results of the networks are presented according to the modified equity accounting method.

(2) Consolidation adjustments include the elimination of program spending of the general fund.

For more information, contact the Direction des communications of the Ministère des Finances et de l'Économie at 418 646-3983.

The report is also available on the Ministère des Finances et de l'Économie website: www.finances.gouv.qc.ca.